

Honolulu, Hawaii
, 2018

MAR 23

RE: S.B. No. 2364
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2364, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

begs leave to report as follows:

The purpose of this measure is to ensure that employees who suffer from a workplace injury receive workers' compensation benefits in a timely manner. Specifically, this measure:

- (1) Prohibits employers from disputing a claim for services without reasonable cause or while the workers' compensation claim is pending investigation;
- (2) Establishes negotiation, notice, and review procedures for disputed claims;
- (3) Imposes fines and penalties on parties who fail to negotiate in good faith; and
- (4) Permits service providers to charge interest on late bill payments.

A few concerned individuals supported this measure. The Department of Labor and Industrial Relations, Hawaii Insurers



Council, and Society for Human Resource Management-Hawaii Chapter opposed this measure. The Department of Human Resources Development, City and County of Honolulu Department of Human Resources, International Longshore and Warehouse Union Local 142, and a concerned individual offered comments.

Your Committee has amended this measure by:

- (1) Deleting the prohibition on disputing claims for services without good cause or while a workers' compensation is pending;
- (2) Adding new language prohibiting an employer from using an investigation to determine compensability as the basis of denying medical services to an employee; and
- (3) Changing its effective date to January 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2364, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2364, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


AARON LING JOHANSON, Chair



